



# INVESTOR PRESENTATION Q2 2022

**Owen Mahoney** President and CEO  
**Shiro Uemura** CFO

August 9th, 2022 NEXON Co., Ltd.



# CEO Highlights



# Summary

Growth Driven by Our Best-in-class Live Operation Capability

GROWTH DRIVERS	ITEM	NOTES
<b>1</b> <b>Growth in existing Virtual Worlds</b>	▪ China <i>Dungeon&amp;Fighter</i>	✔ Y/Y growth in revenue; Q/Q KPI improvement in Q2
	▪ Korea <i>MapleStory</i>	✔ MAUs, paying users, and ARPPU all up Y/Y in Q2; expect 2H to sustain this great momentum
	▪ <i>FIFA ONLINE 4</i> <sup>1</sup>	✔ Marked a quarterly record high for two quarters in a row
<b>2</b> <b>New releases</b>	▪ <i>Dungeon&amp;Fighter Mobile</i>	✔ Sustained high user engagement supported by rich content and carefully-managed live operations
	▪ <i>KartRider: Drift</i>	✔ On track to launch in 2H; internal beta test was successful
	▪ <i>ARC Raiders / Project Discovery</i>	✔ Accelerated development of <i>Project Discovery</i> to launch around the end of 2022; <i>ARC Raiders</i> is now scheduled for 2023 to avoid launch conflict with <i>Project Discovery</i>
<b>3</b> <b>Market and platform expansion</b>	▪ North America and Europe	✔ Embark's titles and <i>KartRider: Drift</i> to drive western business
	▪ Mobile	✔ Mobile momentum continues, driven by <i>Dungeon&amp;Fighter Mobile</i> ; <i>HIT2</i> and more to come out in 2H and 2023
	▪ Console	✔ Embark's titles and <i>KartRider: Drift</i> to drive console business

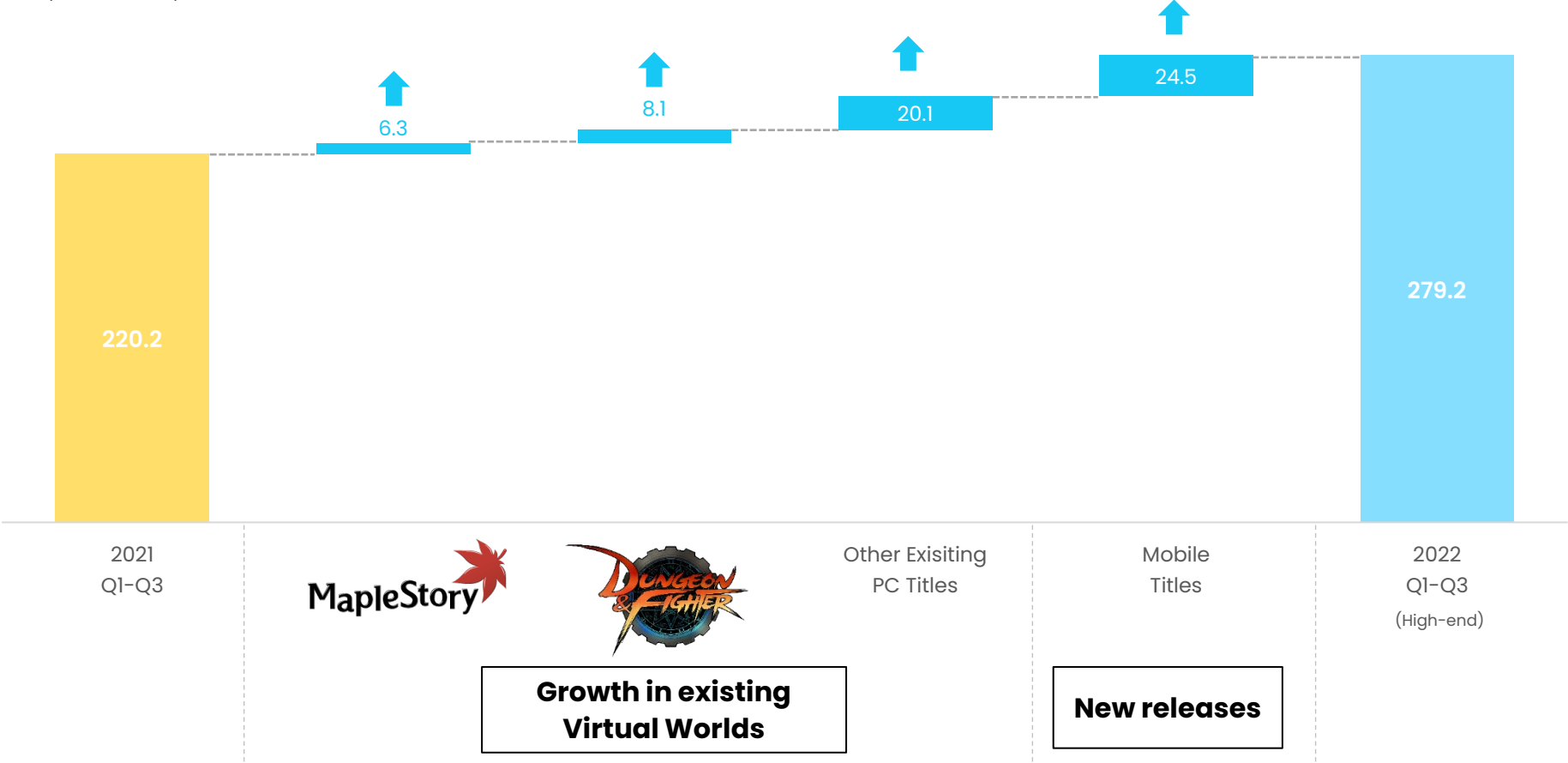
<sup>1</sup> Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

# Revenue Growth Breakdown

On Track for Step-Function Revenue Growth in 2022

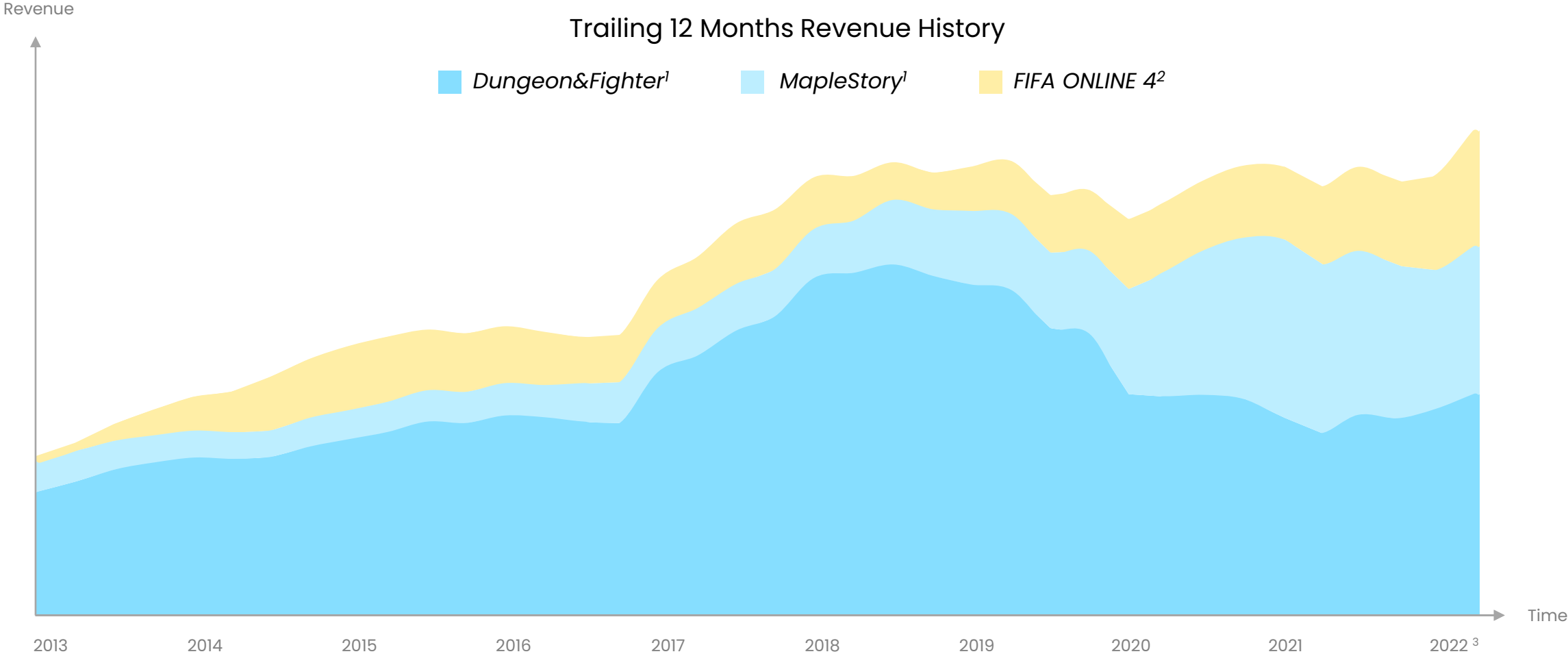
Y/Y Accumulated Revenue Comparison

(Unit: ¥ billions)



# Strength of Live Operation

Three Major Franchises Continue to Grow Over Time Backed by Our Live Operations



1 PC only

2 Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

3 Until 2Q 2022

# CFO Highlights



# Q2 2022 Results

# Q2 2022 Result Highlights

Revenues as Planned. Record Q2 Revenue Driven by Growth of Major Franchises and *Dungeon&Fighter Mobile*

## Revenues

- In-line with expectations. *FIFA ONLINE 4*<sup>1</sup> exceeded outlook while China *Dungeon&Fighter* was below outlook
- Y/Y increase driven by *FIFA ONLINE 4*<sup>1</sup>, *Dungeon&Fighter* in China, and *MapleStory* in Korea as well as a contribution from *Dungeon&Fighter Mobile*

## Operating Income

- In-line with expectations
- Recording a ¥2.2 billion impairment loss on *ARC Raiders*<sup>2</sup> game IP following an adjustment to our Embark release schedule
- Y/Y increase driven by a revenue increase, partially offset by increases in variable costs, HR costs<sup>4</sup>, and marketing expenses

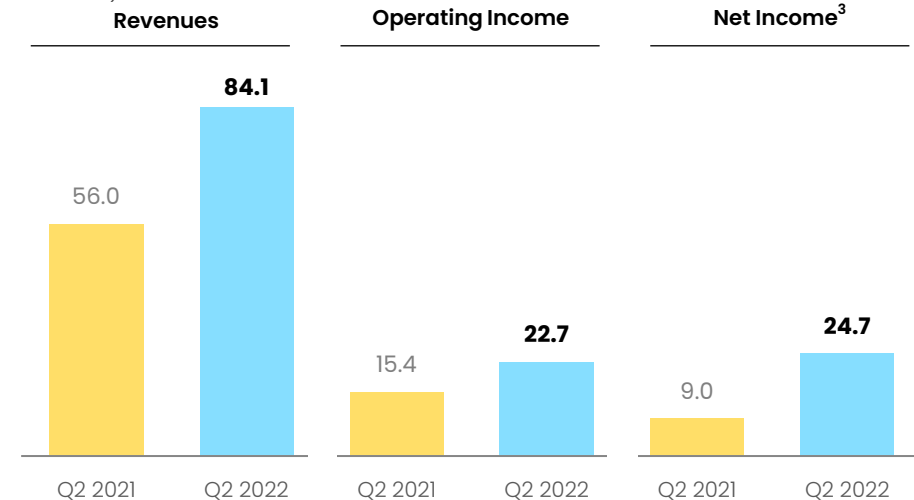
## Net Income<sup>3</sup>

- Exceeded outlook driven by a ¥27.7 billion FX gain primarily on U.S. dollar-denominated cash deposits
- Y/Y increase driven by an operating income increase and a ¥27.7 billion FX gain, partially offset by a tax expense increase

(Unit: ¥ millions, except per share data)

	Q2 2021	Q2 2022 Outlook		Q2 2022	YoY %
<b>Revenues</b>	<b>¥56,009</b>	<b>¥81,342 ~</b>	<b>¥87,300</b>	<b>¥84,122</b>	<b>50%</b>
PC <sup>2</sup>	37,980	55,807 ~	59,281	55,578	46%
Mobile	18,029	25,535 ~	28,019	28,544	58%
<b>Operating income</b>	<b>15,409</b>	<b>22,666 ~</b>	<b>27,278</b>	<b>22,684</b>	<b>47%</b>
<b>Net income<sup>3</sup></b>	<b>8,957</b>	<b>16,146 ~</b>	<b>19,689</b>	<b>24,707</b>	<b>176%</b>
Earnings per share	10.07	18.27 ~	22.28	28.10	
Exchange rates					
100 KRW/JPY	9.77	10.22	10.22	10.29	5%
CNY/JPY	16.94	19.69	19.69	19.61	16%
USD/JPY	109.49	126.58	126.58	129.57	18%

(Unit: ¥ billions)



1 Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

2 PC revenues include other revenues besides PC online games and mobile games.

3 Net income refers to net income attributable to owners of the parent.

4 HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).



# Q2 2022 Revenue Breakdown

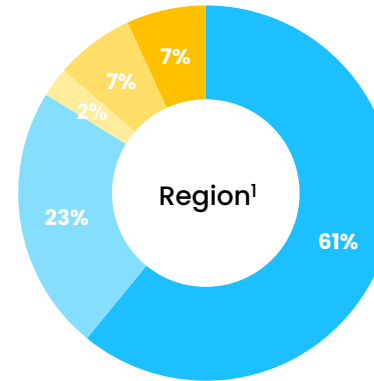
All Regions Excluding Japan Grew Y/Y; Achieved Record-Breaking Quarterly Revenue in Korea

## Q2 2022 Financial Results

(Unit: ¥ millions)

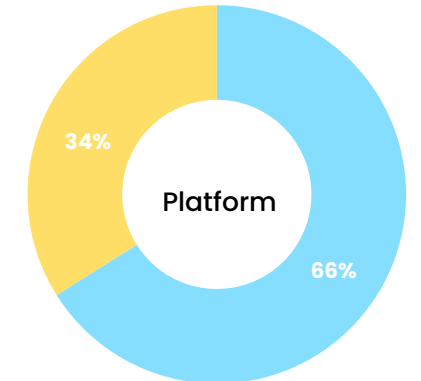
	Q2 2021	Q2 2022		YoY % Change	
		As-Reported	Constant Currency <sup>4</sup>	As-Reported	Constant Currency <sup>4</sup>
<b>Revenue by Region<sup>1</sup></b>					
Korea	¥32,690	¥51,248	¥48,656	57%	49%
China	13,484	19,238	16,865	43%	25%
Japan	2,165	2,149	2,089	(1%)	(4%)
North America and Europe	4,414	5,738	5,173	30%	17%
Rest of World <sup>2</sup>	3,256	5,749	5,405	77%	66%
<b>Nexon Total</b>	<b>56,009</b>	<b>84,122</b>	<b>78,188</b>	<b>50%</b>	<b>40%</b>
<b>Revenue by Platform</b>					
PC <sup>3</sup>	37,980	55,578	51,252	46%	35%
Mobile	18,029	28,544	26,936	58%	49%
<b>Nexon Total</b>	<b>56,009</b>	<b>84,122</b>	<b>78,188</b>	<b>50%</b>	<b>40%</b>
<b>FX Rate</b>					
100 KRW/JPY	9.77	10.29	9.77	5%	
CNY/JPY	16.94	19.61	16.94	16%	
USD/JPY	109.49	129.57	109.49	18%	

## Q2 2022 Revenue Breakdown



### Region<sup>1</sup>

- Korea 61%
- China 23%
- Japan 2%
- North America & Europe 7%
- Rest of World<sup>2</sup> 7%



### Platform

- PC<sup>3</sup> 66%
- Mobile 34%

1 Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

2 "Rest of World" includes other Asian countries as well as Central and South American countries.

3 PC revenues include other revenues besides PC online games and mobile games.

4 Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

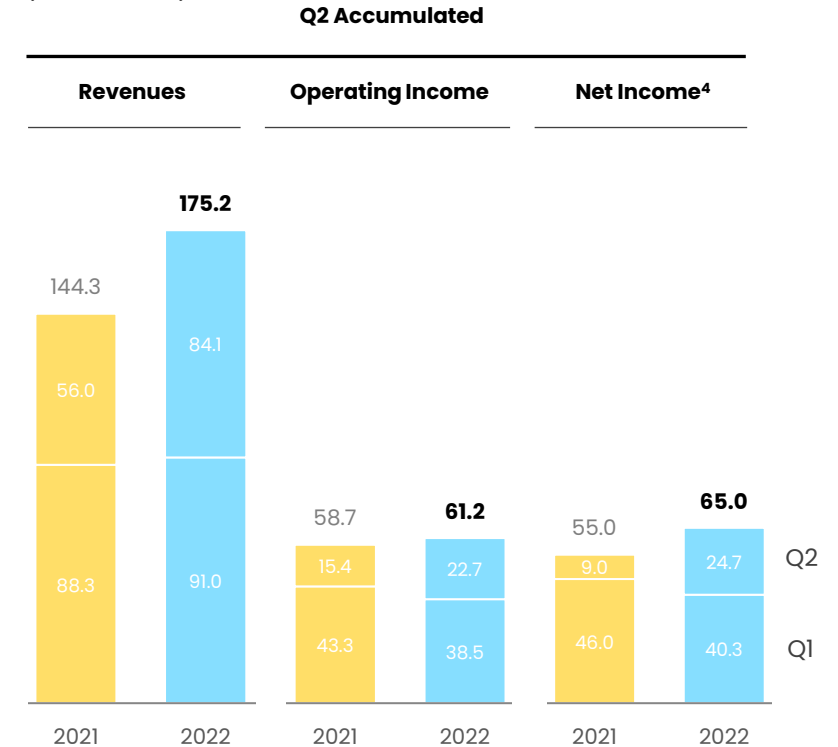
5 For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

# Q2 2022 Accumulated Results

(Unit: ¥ millions, except per share data)

	Q1-Q2 2021	Q1-Q2 2022		YoY % Change	
		As-Reported	Constant Currency <sup>5</sup>	As-Reported	Constant Currency <sup>5</sup>
<b>Revenue by Region<sup>1</sup></b>					
Korea	¥82,857	¥99,128	¥95,888	20%	16%
China	39,282	48,999	43,904	25%	12%
Japan	5,547	4,943	4,862	(11%)	(12%)
North America and Europe	9,228	10,437	9,610	13%	4%
Rest of World <sup>2</sup>	7,408	11,649	11,165	57%	51%
<b>Nexon Total</b>	<b>144,322</b>	<b>175,156</b>	<b>165,429</b>	<b>21%</b>	<b>15%</b>
<b>Revenue by Platform</b>					
PC <sup>3</sup>	103,747	123,308	115,629	19%	11%
Mobile	40,575	51,848	49,800	28%	23%
<b>Nexon Total</b>	<b>144,322</b>	<b>175,156</b>	<b>165,429</b>	<b>21%</b>	<b>15%</b>
<b>Operating income</b>	<b>58,730</b>	<b>61,204</b>	<b>56,001</b>	<b>4%</b>	<b>(5%)</b>
<b>Net income<sup>4</sup></b>	<b>54,991</b>	<b>64,968</b>	<b>60,127</b>	<b>18%</b>	<b>9%</b>
Earnings per share	61.90	73.54			

(Unit: ¥ billions)



<sup>1</sup> Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

<sup>2</sup> "Rest of World" includes Europe as well as other Asian countries and South American countries.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>4</sup> Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

<sup>5</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

# Q2 2022 Korea / China – Highlights

## Korea

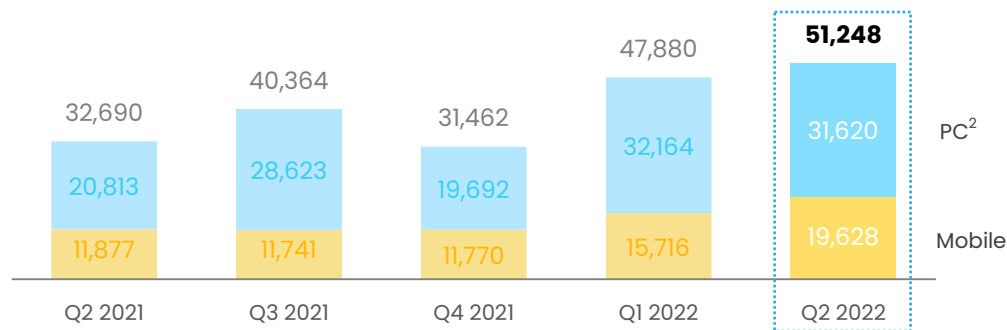
Results as planned. Significant Y/Y growth driven by *FIFA ONLINE 4*<sup>1</sup>, *MapleStory* and *Dungeon&Fighter Mobile*

- PC<sup>2</sup> revenues up 52% Y/Y
  - *FIFA ONLINE 4*: Grew over 2x Y/Y and achieved record quarterly revenue; MAUs, paying users and ARPPU all up driven by successful events and sales promotions
  - *MapleStory*: Grew 38% Y/Y; MAUs, paying users and ARPPU all up driven by well-received 19<sup>th</sup> Anniversary Update in April and Summer Update in June
  - *Dungeon&Fighter*: Grew 34% Y/Y
- Mobile revenues up 65% Y/Y; up 25% Q/Q
  - *Dungeon&Fighter Mobile*: user engagement remained high driven by rich content and carefully-managed live operations
  - Y/Y contributions from *Dungeon&Fighter Mobile* and *Blue Archive*, and growth in *FIFA ONLINE 4 M*<sup>3</sup> were partially offset by decreases in *V4* and *The Kingdom of the Winds: Yeon*

(Unit: ¥ millions)

YoY% change:

As Reported: **+57%**  
Constant Currency<sup>4</sup>: **+49%**



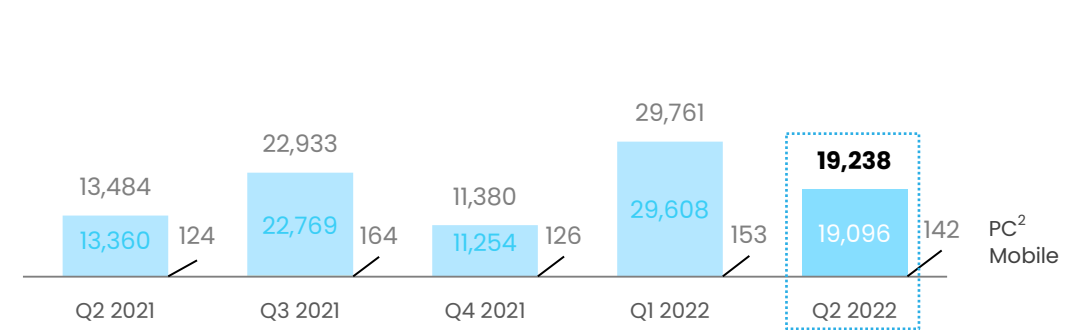
## China

Below outlook. *Dungeon&Fighter*'s revenue increased Y/Y driven by well-received Labor Day package sales

- Introduced Labor Day update (4/21 – 6/16); 14<sup>th</sup> Anniversary Update and Level Cap Release (6/16)
- Continued to focus on increasing user engagement rather than short-term monetization. As a result, while revenue was lower than planned, user metrics improved following the Level Cap Release and MAUs/paying users increased Q/Q despite the seasonality
- Q/Q ARPPU and revenue decreased due to typical seasonality
- Y/Y MAUs slightly decreased while paying users, ARPPU and revenue increased

YoY% change:

As Reported: **+43%**  
Constant Currency<sup>4</sup>: **+25%**



<sup>1</sup> Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>3</sup> Official title is EA SPORTS™ FIFA ONLINE 4 M (mobile).

<sup>4</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

# Q2 2022 Japan / North America and Europe / Rest of World<sup>1</sup> – Highlights

## Japan

Slightly below outlook due to *Counter:Side*

- Benefited from *Counter:Side*
- *TRAHA* and *V4* decreased Y/Y

## North America and Europe

Results as planned

- Benefited from new games
- *MapleStory M* grew Y/Y
- *Choices*<sup>4</sup> and *MapleStory* decreased Y/Y

## Rest of World<sup>1</sup>

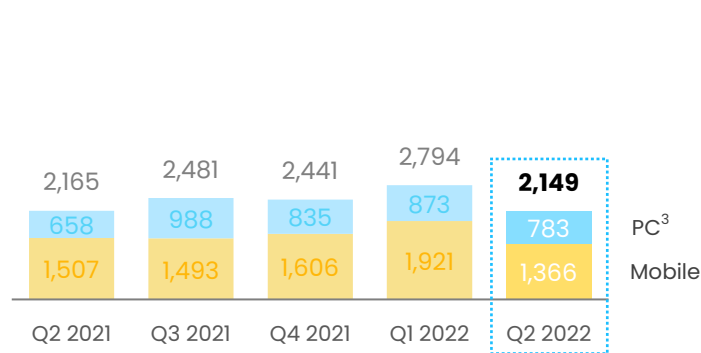
Exceeded outlook driven by *MapleStory* franchises and new games

- Benefited from new games
- *MapleStory* franchises grew significantly Y/Y

(Unit: ¥ millions)

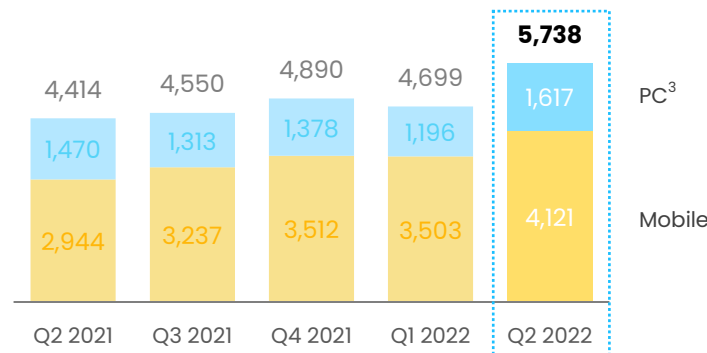
YoY% change:

As Reported: **-1%**  
Constant Currency<sup>2</sup>: **-4%**



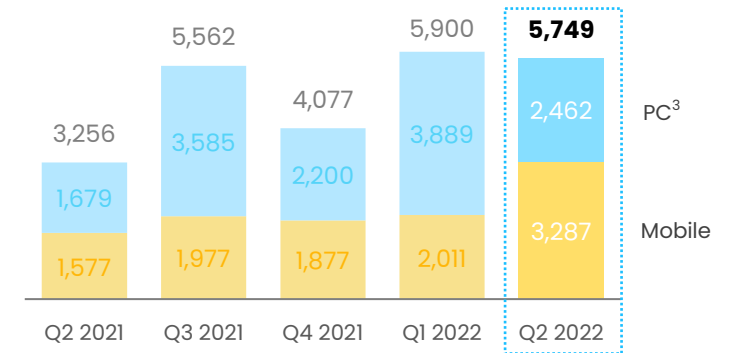
YoY% change:

As Reported: **+30%**  
Constant Currency<sup>2</sup>: **+17%**



YoY% change:

As Reported: **+77%**  
Constant Currency<sup>2</sup>: **+66%**



<sup>1</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>2</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>4</sup> Official title is *Choices: Stories You Play*.



# Q3 2022 Outlook

# Q3 2022 Financial Outlook

Expect Group Revenues to Grow Y/Y Driven by Growth of Major Franchises and New Mobile Titles in Korea

## Revenues

- Constant currency<sup>1</sup> up 13% to 22%
- PC<sup>2</sup>: Growth driven by *FIFA ONLINE 4*<sup>3</sup>, and Korea *MapleStory*
- Mobile: Expect to benefit from *Dungeon&Fighter Mobile* and *HIT2*, scheduled to launch in Korea on August 25

(Unit: ¥ millions, except per share data)

	Q3 2021	Q3 2022 Outlook		YoY %	
<b>Revenues</b>	<b>¥75,890</b>	<b>¥96,039</b>	~ <b>¥104,038</b>	<b>27%</b>	~ <b>37%</b>
PC <sup>2</sup>	57,278	67,298	~ 72,221	17%	~ 26%
Mobile	18,612	28,741	~ 31,817	54%	~ 71%
<b>Operating income</b>	<b>29,835</b>	<b>30,143</b>	~ <b>36,635</b>	<b>1%</b>	~ <b>23%</b>
<b>Net income<sup>5</sup></b>	<b>37,902</b>	<b>21,559</b>	~ <b>26,395</b>	<b>(43%)</b>	~ <b>(30%)</b>
Earnings per share	42.44	24.94	~ 30.53		
<b>FX Rate Assumptions</b>					
100 KRW/JPY	9.51	10.48	10.48	10%	
CNY/JPY	17.02	20.32	20.32	19%	
USD/JPY	110.11	136.79	136.79	24%	

Forex sensitivity<sup>6</sup>: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q3 2022

Revenues 0.72 billion yen  
Operating Income 0.26 billion yen

## Operating Income

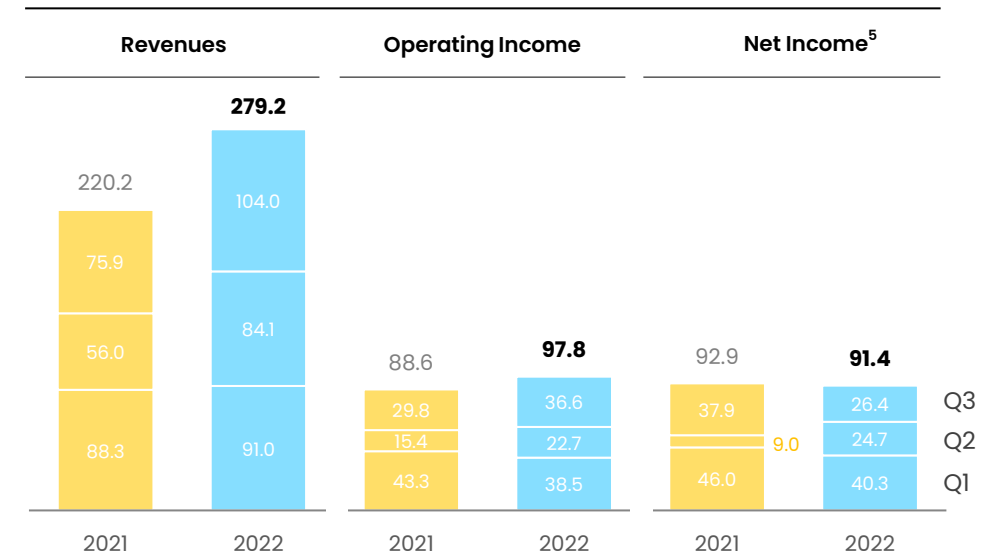
- Expect a Y/Y increase driven by revenue growth
- Expect increased variable costs, HR costs<sup>4</sup>, and marketing costs as well as server costs

## Net Income<sup>5</sup>

- Expect a Y/Y decrease
- In Q3 2021, we recorded an ¥16.1 billion FX gain primarily on U.S. dollar-denominated cash deposits and a revaluation gain of ¥1.7 billion due to movements in the market price of bitcoin

(Unit: ¥ billions)

## Q3 Accumulated (High-end)



<sup>1</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games

<sup>3</sup> Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

<sup>4</sup> HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

<sup>5</sup> Net income refers to net income attributable to owners of the parent.

<sup>6</sup> In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. Dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese Yen when there is an exchange rate movement in U.S. Dollar and Japanese Yen.

# Q3 2022 Korea / China Outlook

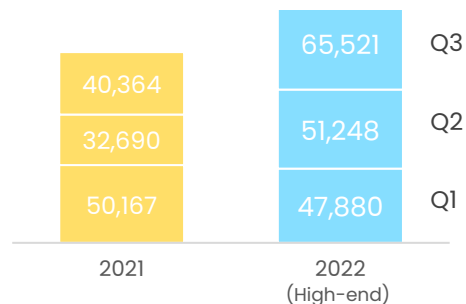
## Korea

Expect revenues to increase Y/Y driven by *FIFA ONLINE 4*<sup>1</sup> and *MapleStory* as well as contributions from *Dungeon&Fighter Mobile* and *HIT2*

- PC<sup>2</sup>: Expect to increase Y/Y
  - *MapleStory*: Expect to increase Y/Y; MAUs in July reached to the level of Q3 2020 when we achieved record Q3 revenue
  - Expect *FIFA ONLINE 4*<sup>1</sup> to grow significantly while *Dungeon&Fighter* and *Sudden Attack* to decrease Y/Y
- Mobile: Expect to increase Y/Y
  - Expect to benefit from *Dungeon&Fighter Mobile* and *HIT2*, which is scheduled to launch on August 25
  - Expect *FIFA ONLINE 4 M*<sup>3</sup> to increase Y/Y while *The Kingdom of the Winds: Yeon*, *KartRider Rush+*, and *V4* to decrease Y/Y

(Unit: ¥ millions)

Q3 2021	Q3 2022 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>4</sup>	
40,364	61,386 ~	65,521	52% ~ 62%	38% ~ 47%	

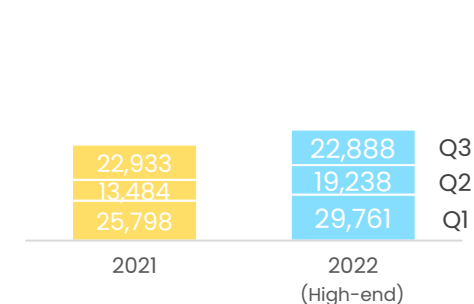


## China

Expect *Dungeon&Fighter's* revenue to decrease Y/Y due to a challenging comparison with Q3 2021

- Introduced Summer Update (7/14); scheduled to introduce National Day Update (September)
- In July, MAUs and paying users were at a lower level compared to the same period of last year following the successful 13<sup>th</sup> Anniversary and Summer Update
- Expect Q3 revenue to decrease Y/Y due to a challenging comparison with Q3 2021; in the last Q3, we achieved 33% Y/Y revenue growth on a constant currency<sup>4</sup> in China driven by the successful Summer Update and well-received new initiatives
- Continue to focus on user engagement over monetization to retain existing players and to attract returning players

Q3 2021	Q3 2022 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>4</sup>	
22,933	20,329 ~	22,888	(11%) ~ (0%)	(25%) ~ (16%)	



<sup>1</sup> Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games

<sup>3</sup> Official title is EA SPORTS™ FIFA ONLINE 4 M (mobile).

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# Q3 2022 Japan / North America and Europe / Rest of World<sup>1</sup> Outlook

## Japan

Expect revenues to increase Y/Y

- Expect to benefit from *Counter:Side* and *Blue Archive*
- Expect Y/Y decreases in *TRAHA* and *V4*

## North America and Europe

Expect revenues to increase Y/Y

- Expect to benefit from new games
- Expect a Y/Y decrease in *Choices*<sup>3</sup>

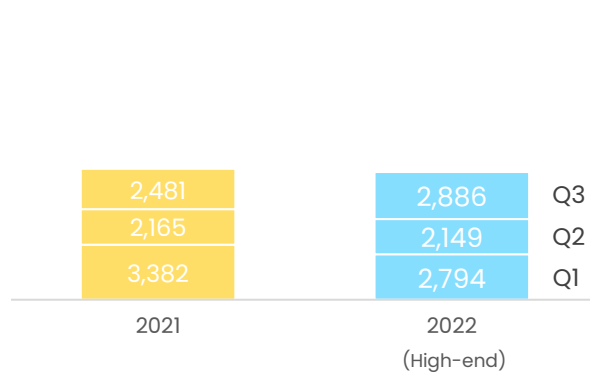
## Rest of World<sup>1</sup>

Expect revenues to increase Y/Y

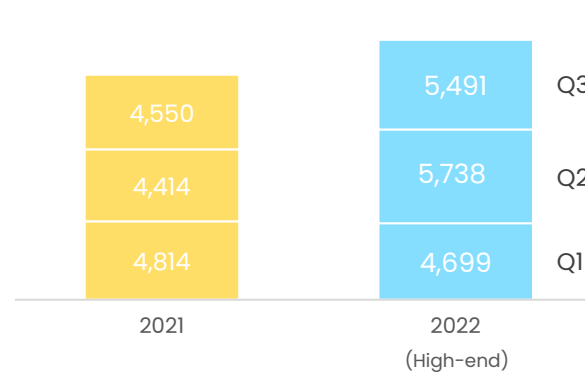
- Expect to benefit from new games

(Unit: ¥ millions)

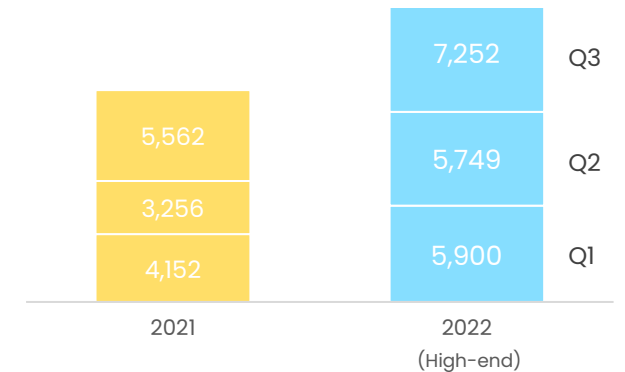
Q3 2021	Q3 2022 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>2</sup>	
2,481	2,492 ~	2,886	0% ~ 16%	(4%) ~ 11%	



Q3 2021	Q3 2022 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>2</sup>	
4,550	5,012 ~	5,491	10% ~ 21%	(6%) ~ 2%	



Q3 2021	Q3 2022 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>2</sup>	
5,562	6,820 ~	7,252	23% ~ 30%	10% ~ 17%	



<sup>1</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>2</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

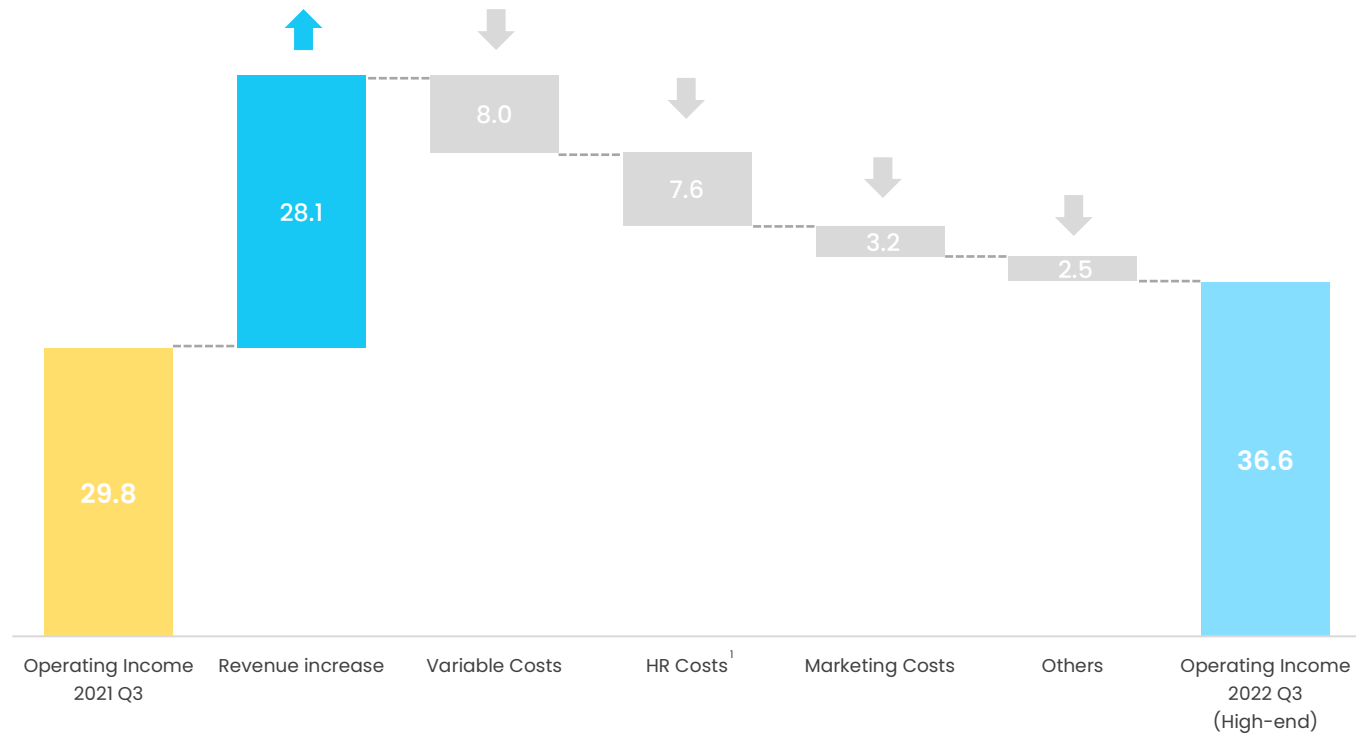
<sup>3</sup> Official title is *Choices: Stories You Play*.



# Q3 2022 Operating Income & Cost Outlook

(Unit: ¥ billions)

## Y/Y Operating Income Comparison (High-end)



↑ Increased revenues

↓ Increased variable costs including:

- PG fees associated with mobile revenue growth
- Royalty costs in relation to increased revenues from *FIFA ONLINE 4*<sup>2</sup>

↓ Increased HR costs<sup>1</sup> related to:

- Headcount for development and launch of multiple new Virtual Worlds
- Bonus accruals for contributions to great performances

↓ Increased marketing costs primarily associated with promotions for new games including *HIT2*

↓ Others include:

- Increased server costs
- Increased outsourcing fees

<sup>1</sup> HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

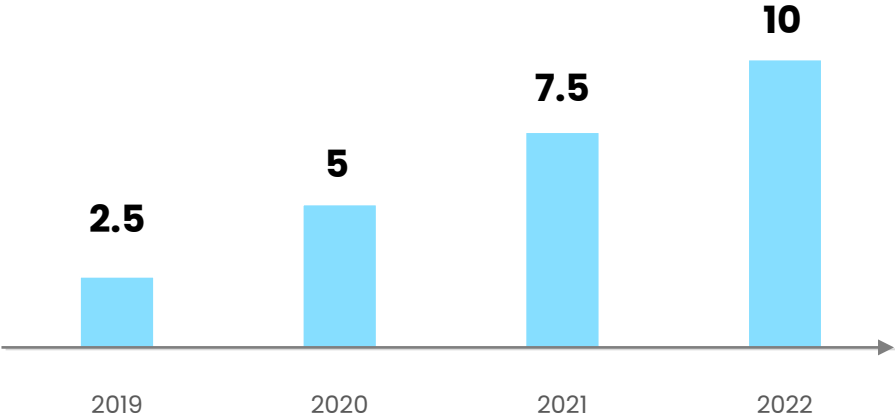
<sup>2</sup> Official titles are *EA SPORTS™ FIFA ONLINE 4* (PC) and *EA SPORTS™ FIFA ONLINE 4 M* (mobile).

# Shareholder Return

## Dividend

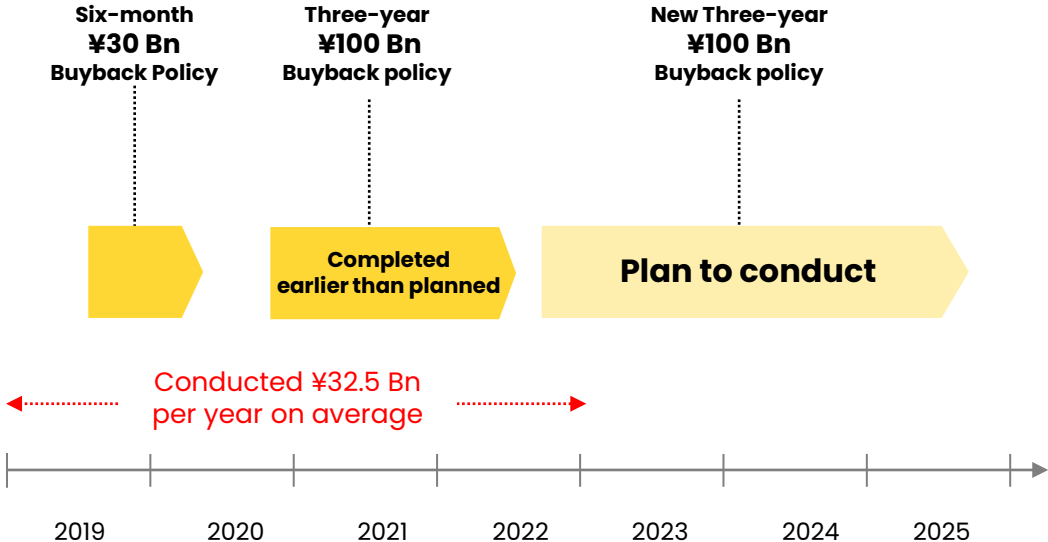
- Scheduled to pay the annual dividend of 10 yen per share for 2022
- Approved an interim dividend of 5 yen per share on August 9th, 2022

(Unit: ¥ per share)





## Buy-back

- The Board of Directors approved a new share repurchase policy to buy-back up to 100 yen billion over the next three years
- Conduct the share repurchase by August 2025 by considering several factors including investment opportunities, financial and market conditions



# 2022 China *Dungeon&Fighter* Update Schedule

Period	Tier 1 Content Update	2021	2022
Q1	 <b>Lunar New Year Update</b>	<b>January 21<sup>st</sup></b>	<b>January 20<sup>th</sup></b>
	Labor Day Update	April 22 <sup>nd</sup>	April 21 <sup>st</sup>
Q2	Anniversary Update	June 17 <sup>th</sup>	June 16 <sup>th</sup>
	Level Cap Release	N/A	June 16 <sup>th</sup>
Q3	Summer Update	July 8 <sup>th</sup>	July 14 <sup>th</sup>
	 <b>National Day Update</b>	<b>September 14<sup>th</sup></b>	<b>September</b>
Q4	Winter Update	N/A	TBD



Indicates financially important updates

\* 2022 update schedule is subject to change depending on various operational factors

# Pipeline<sup>1</sup>

PC ONLINE MOBILE CONSOLE

KOREA CHINA JAPAN NORTH AMERICA & REST OF THE WORLD



**Dungeon&Fighter Mobile<sup>2</sup>**



**KartRider: Drift<sup>2</sup>**



**Project Discovery<sup>3</sup>**



**ARC Raiders**



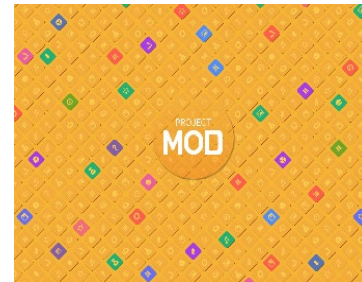
**HIT<sup>2</sup>**



**TalesWeaver: SecondRun<sup>2</sup>**



**Dynasty Warriors 9 Mobile<sup>2,3</sup>**



**Project MOD<sup>3</sup>**



**The First Descendant**



**Project AK<sup>2,3,4</sup>**



**Veiled Experts**



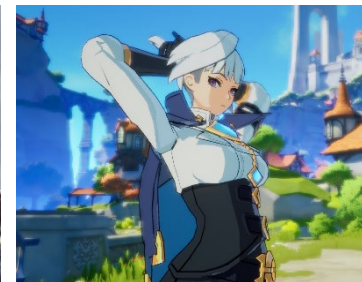
**MABINOZI MOBILE<sup>2</sup>**



**WARS OF PRASIA**



**Project HP<sup>3</sup>**



**Argent Twilight: Secret of the Dark Orbs<sup>6</sup>**



**OVERKILL<sup>2,3,5</sup>**



1 Chart is illustrative excerpt of pipeline.

2 Games based on original IP.

3 Tentative title

4 PC 3D action RPG based on *Dungeon&Fighter* universe.

5 PC 3D side-scrolling action RPG based on *Dungeon&Fighter* universe.

6 Game titles in Korea and Japan are subject to change.

7 The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders

# Appendix





# Financials

# Summary of Results and Key Operational Metrics

(Unit: ¥ millions, except per share data)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	YoY%
<b>(By Region)</b>							
Korea	¥50,167	¥32,690	¥40,364	¥31,462	¥47,880	¥51,248	57%
China	25,798	13,484	22,933	11,380	29,761	19,238	43%
Japan	3,382	2,165	2,481	2,441	2,794	2,149	(1%)
North America and Europe	4,814	4,414	4,550	4,890	4,699	5,738	30%
Rest of World <sup>1</sup>	4,152	3,256	5,562	4,077	5,900	5,749	77%
<b>(By Platform)</b>							
PC <sup>2</sup>	65,768	37,980	57,278	35,359	67,730	55,578	46%
Mobile	22,545	18,029	18,612	18,891	23,304	28,544	58%
<b>Revenue</b>	<b>88,313</b>	<b>56,009</b>	<b>75,890</b>	<b>54,250</b>	<b>91,034</b>	<b>84,122</b>	<b>50%</b>
<b>Operating income</b>	<b>43,321</b>	<b>15,409</b>	<b>29,835</b>	<b>2,976</b>	<b>38,520</b>	<b>22,684</b>	<b>47%</b>
<b>Net income<sup>3</sup></b>	<b>46,034</b>	<b>8,957</b>	<b>37,902</b>	<b>21,995</b>	<b>40,261</b>	<b>24,707</b>	<b>176%</b>
<b>Earnings per share</b>	<b>51.86</b>	<b>10.07</b>	<b>42.44</b>	<b>24.56</b>	<b>45.35</b>	<b>28.10</b>	
<b>FX rate</b>							
100 KRW/JPY	9.52	9.77	9.51	9.62	9.65	10.29	5%
CNY/JPY	16.33	16.94	17.02	17.81	18.30	19.61	16%
USD/JPY	105.90	109.49	110.11	113.71	116.20	129.57	18%
<b>KPI (Excluding Mobile)</b>							
MAU (millions)	16.4	14.0	15.2	12.4	13.3	13.6	(3%)
Pay Rate	19.7%	19.3%	22.1%	21.1%	22.5%	22.5%	
ARPPU (as-reported)	10,516	7,103	9,241	6,356	12,586	8,920	26%

<sup>1</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>3</sup> Net income refers to net income attributable to owners of the parent.

# COGS and SG&A<sup>1</sup>

(Unit: ¥ millions)

	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>Total Cost of Revenue<sup>1</sup></b>	<b>¥18,699</b>	<b>¥16,702</b>	<b>¥18,739</b>	<b>¥17,981</b>	<b>¥21,924</b>	<b>¥24,966</b>
Royalty <sup>2</sup>	7,977	5,967	7,712	5,634	9,013	9,142
HR cost (COGS) <sup>3</sup>	7,281	7,489	7,553	8,576	8,671	10,960
Other (COGS) <sup>4</sup>	3,441	3,246	3,474	3,771	4,240	4,864
<b>Total SG&amp;A<sup>1</sup></b>	<b>26,317</b>	<b>23,948</b>	<b>27,467</b>	<b>30,758</b>	<b>30,475</b>	<b>34,322</b>
HR cost	6,582	6,586	6,818	8,566	7,423	7,835
PG fee <sup>5</sup>	8,299	6,350	6,894	6,614	8,480	10,909
R&D	4,976	4,935	5,203	5,883	5,790	6,637
Marketing/advertising expenses	3,132	2,968	5,078	6,209	4,856	5,564
Depreciation and amortization	1,453	1,463	1,439	1,088	1,065	934
Other	1,875	1,646	2,035	2,398	2,861	2,443
Other Income <sup>6</sup>	124	163	197	321	160	136
Other Expense <sup>7</sup>	100	113	46	2,856	275	2,286
Includes: impairment loss	19	97	5	2,820	241	2,219

<sup>1</sup> Breakdown of COGS and SG&A are unaudited.

<sup>2</sup> Royalty includes royalties paid to third-party developers in order for us to obtain the right to publish their games.

<sup>3</sup> HR cost includes salaries, bonuses and benefits for our live game developers, who support post launch servicing, updating and support for our games.

<sup>4</sup> Other (COGS) primarily consists of depreciation and amortization of assets related to existing games, connection fees (mainly comprised of co-location and datacenter fees, internet bandwidth and access fees), and the costs of purchasing and maintaining our servers and computer equipment.

<sup>5</sup> PG fee in SG&A includes commissions made to external payment gateway companies when users purchase in-game items in PC Online games that we service. It also includes mobile carrier-related commissions we pay regarding our Japanese mobile browser games, commissions we pay to Apple/Google regarding our mobile native games globally, and platform commission fees related to mobile browser games.

<sup>6</sup> Other Income includes other non-operating income, reversal of deferred revenue, gain on sale of properties, gain on change in equity and gain on step acquisition.

<sup>7</sup> Other Expense includes other non-operating expenses, loss on sale/disposal of properties, loss on impairment of tangible fixed assets, loss on impairment of intangible assets, loss on impairment of other fixed assets and loss on change in equity. It also includes impairment loss of game IPs and goodwill.



# P&L Below Operating Income

(Unit: ¥ millions)

	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>Operating Income</b>	<b>¥43,321</b>	<b>¥15,409</b>	<b>¥29,835</b>	<b>¥2,976</b>	<b>¥38,520</b>	<b>¥22,684</b>
Finance Income <sup>1</sup>	20,995	3,949	18,404	6,926	23,308	31,844
Finance Costs <sup>2</sup>	650	1,264	1,160	681	3,695	4,176
(Loss) / reversal of loss on revaluation <sup>3</sup>	-	(4,499)	1,714	1,196	339	(5,334)
Equity profit / (loss) of affiliates, equity method companies	(91)	300	(435)	(773)	(1,271)	(3,320)
<b>Income before Income Tax</b>	<b>63,575</b>	<b>13,895</b>	<b>48,358</b>	<b>9,644</b>	<b>57,201</b>	<b>41,698</b>
Tax expense	17,842	5,361	10,677	(11,474)	17,082	17,280
Non-controlling interests	(301)	(423)	(221)	(877)	(142)	(289)
<b>Net income <sup>4</sup></b>	<b>46,034</b>	<b>8,957</b>	<b>37,902</b>	<b>21,995</b>	<b>40,261</b>	<b>24,707</b>

<sup>1</sup> Finance Income includes interest income primarily on cash deposits. 2021 Q1, Q3, Q4, and 2022 Q1, Q2 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

<sup>2</sup> 2021 Q2 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits and accounts receivable.

<sup>3</sup> Loss / reversal of loss on revaluation refers to loss / reversal of loss on revaluation of cryptocurrency.

<sup>4</sup> Net income refers to net income attributable to owners of the parent.

# Cash Flow Statement

(Unit: ¥ millions)

	6 months ended June 30, 2021	6 months ended June 30, 2022
Cash flows from operating activities	¥37,234	¥58,498
Cash flows from investing activities	10,968	15,041
Cash flows from financing activities	(2,569)	(87,585)
Net increase / (decrease) in cash and cash equivalents	45,633	(14,046)
Cash and cash equivalents at beginning of fiscal year	252,570	365,239
Effect of exchange rate change on cash and cash equivalents	8,384	44,491
Cash and cash equivalents at end of fiscal year	306,587	395,684

# Balance Sheet

(Unit: ¥ millions)

	December 31, 2021	June 30, 2022		December 31, 2021	June 30, 2022
<b>Asset</b>			<b>Liability</b>		
Current Assets			Current liabilities		
Cash and cash equivalents	¥365,239	¥395,684	Current tax liabilities	16,599	23,571
Other deposits	169,689	147,799	Current borrowings	-	-
Other current assets	58,789	68,177	Others	36,726	45,929
<b>Total current assets</b>	<b>593,717</b>	<b>611,660</b>	<b>Total current liabilities</b>	<b>53,325</b>	<b>69,500</b>
Noncurrent assets			Noncurrent liabilities		
Tangible assets	24,448	26,433	Non-current borrowings	-	-
Goodwill	38,938	42,759	Others	87,414	93,891
Intangible assets	17,703	11,651	<b>Total noncurrent liabilities</b>	<b>87,414</b>	<b>93,891</b>
Investments accounted for using equity method	58,933	90,155	<b>Total liabilities</b>	<b>140,739</b>	<b>163,391</b>
Other non-current financial assets	202,588	200,228			
Others	50,305	57,329	<b>Shareholders' equity</b>		
<b>Total noncurrent assets</b>	<b>392,915</b>	<b>428,555</b>	Capital stock	34,255	37,306
<b>Total assets</b>	<b>986,632</b>	<b>1,040,215</b>	Capital surplus	14,961	16,703
			Treasury shares	(17,863)	(101,831)
			Other equity interest	92,747	142,306
			Retained earnings	712,568	773,104
			Non-controlling interests	9,225	9,236
			<b>Total equity</b>	<b>845,893</b>	<b>876,824</b>
			<b>Total liabilities and total equity</b>	<b>986,632</b>	<b>1,040,215</b>

# P&L by Reporting Segment<sup>1</sup>

(Unit: ¥ millions)

	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>Japan</b>						
Revenue from external customers	¥1,340	¥1,025	¥1,339	¥1,338	¥1,270	¥1,017
Segment profit/(loss)	(2,285)	(2,449)	(2,814)	(4,391)	(3,075)	(2,757)
<b>Korea</b>						
Revenue from external customers	81,502	50,105	69,827	48,693	85,375	79,085
Segment profit/(loss)	45,606	18,266	33,272	12,047	43,044	30,270
<b>China</b>						
Revenue from external customers	1,049	674	901	526	899	719
Segment profit/(loss)	736	298	525	121	506	288
<b>North America</b>						
Revenue from external customers	4,075	3,975	3,436	3,418	3,077	3,023
Segment profit/(loss)	262	519	(162)	(794)	(615)	(1,561)
<b>Others</b>						
Revenue from external customers	347	230	387	275	413	278
Segment profit/(loss)	(1,023)	(1,258)	(1,149)	(1,472)	(1,224)	(1,401)
<b>Adjustments</b>						
Revenue from external customers	-	-	-	-	-	-
Segment profit/(loss)	1	(17)	12	0	(1)	(5)
<b>Total</b>						
Revenue from external customers	88,313	56,009	75,890	54,250	91,034	84,122
Segment profit/(loss)	43,297	15,359	29,684	5,511	38,635	24,834

<sup>1</sup> Representation based on location of Nexon's entities; not based on regions where the revenue originates.

# NJ Corporate Entity Financial Statement<sup>1</sup> (1)

(Unit: ¥ millions)

Income Statement	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Revenue</b>	¥5,815	¥5,208	¥5,927	¥7,024	¥6,016	¥5,411	¥5,898
Cost of revenue	3,117	3,134	3,438	3,510	3,249	2,681	3,040
<b>Gross profit</b>	<b>2,698</b>	<b>2,074</b>	<b>2,489</b>	<b>3,514</b>	<b>2,767</b>	<b>2,730</b>	<b>2,858</b>
SG&A	6,470	6,736	6,941	9,447	7,910	7,893	11,269
<b>Operating profit / (loss)</b>	<b>(3,772)</b>	<b>(4,662)</b>	<b>(4,452)</b>	<b>(5,933)</b>	<b>(5,143)</b>	<b>(5,163)</b>	<b>(8,411)</b>
Non-operating income	19,163	636	5,049	15,646	32,565	47,902	94,274
Includes: dividend income	18,869	22	4,612	15,025	30,313	46,460	87,397
Non-operating expenses	1,246	1,826	1,969	9,352	4,063	2,802	1,700
<b>Ordinary income / (loss)</b>	<b>14,145</b>	<b>(5,852)</b>	<b>(1,372)</b>	<b>361</b>	<b>23,359</b>	<b>39,937</b>	<b>84,163</b>
Extraordinary income	6,443	852	58	109	635	189	1,007
Extraordinary losses	6,897	39,573	9,643	138	77	647	78
<b>Income / (loss) before income taxes</b>	<b>13,691</b>	<b>(44,573)</b>	<b>(10,957)</b>	<b>332</b>	<b>23,917</b>	<b>39,479</b>	<b>85,092</b>
Tax expense	5,519	(201)	234	755	1,520	2,327	6,425
<b>Net income / (loss)</b>	<b>8,172</b>	<b>(44,372)</b>	<b>(11,191)</b>	<b>(423)</b>	<b>22,397</b>	<b>37,152</b>	<b>78,667</b>

<sup>1</sup> Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

# NJ Corporate Entity Financial Statement<sup>1</sup> (2)

(Unit: ¥ millions)

Balance Sheet	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
<b>Current assets</b>	¥70,444	¥52,632	¥42,946	¥55,209	¥45,374	¥85,462	¥144,774
Includes: cash and cash equivalents	68,997	49,531	41,868	53,096	43,100	83,523	143,334
<b>Non-current assets</b>	38,190	6,438	5,494	4,836	17,630	17,851	44,903
Property, plant and equipment	200	74	7	3	1	6	5
Intangible assets	66	-	-	-	-	-	-
Investments and other assets	37,924	6,364	5,487	4,833	17,629	17,845	44,898
<b>Total assets</b>	108,634	59,070	48,440	60,045	63,004	103,313	189,677
<b>Current liabilities</b>	3,506	2,341	1,796	2,303	2,037	2,085	4,376
<b>Non-current liabilities</b>	498	448	457	415	363	469	468
<b>Total liabilities</b>	4,004	2,789	2,253	2,718	2,400	2,554	4,844
<b>Shareholder's equity</b>	99,779	50,669	41,230	50,838	53,133	92,510	174,099
Capital stock	56,227	3,307	9,183	14,199	17,757	22,470	34,167
Capital surplus	36,087	88,621	43,021	36,846	39,981	21,720	33,417
Includes: other capital surplus	30,000	86,064	34,588	23,397	22,974	-	-
Retained earnings	7,465	(41,259)	(10,974)	(206)	22,614	48,320	122,547
Includes: other retained earnings	6,160	(41,476)	(11,191)	(423)	22,397	48,103	122,330
Treasury shares	-	(0)	-	(0)	(27,219)	(0)	(16,032)
<b>Valuation and translation adjustments</b>	246	77	(10)	(21)	(28)	(21)	(15)
<b>Subscription rights to shares</b>	4,605	5,535	4,967	6,510	7,499	8,270	10,749
<b>Total net assets</b>	104,630	56,281	46,187	57,327	60,604	100,759	184,833
<b>Statement of changes in equity (excerpt)</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>
<b>Payment of dividends</b>	(4,305)	(4,352)	-	-	-	(4,418)	(4,440)
<b>Acquisition of treasury shares</b>	(10,000)	(5,000)	(10,000)	(1)	(27,218)	(2,783)	(16,032)
<b>Cancellation of treasury shares</b>	10,000	5,000	10,000	-	-	30,002	-

<sup>1</sup> Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

# Number of Employees by Reporting Segment

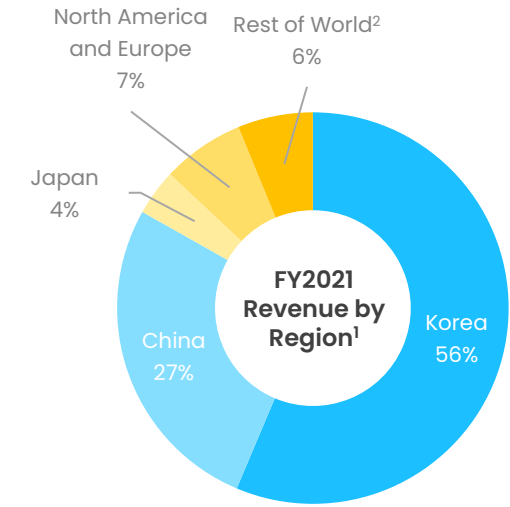
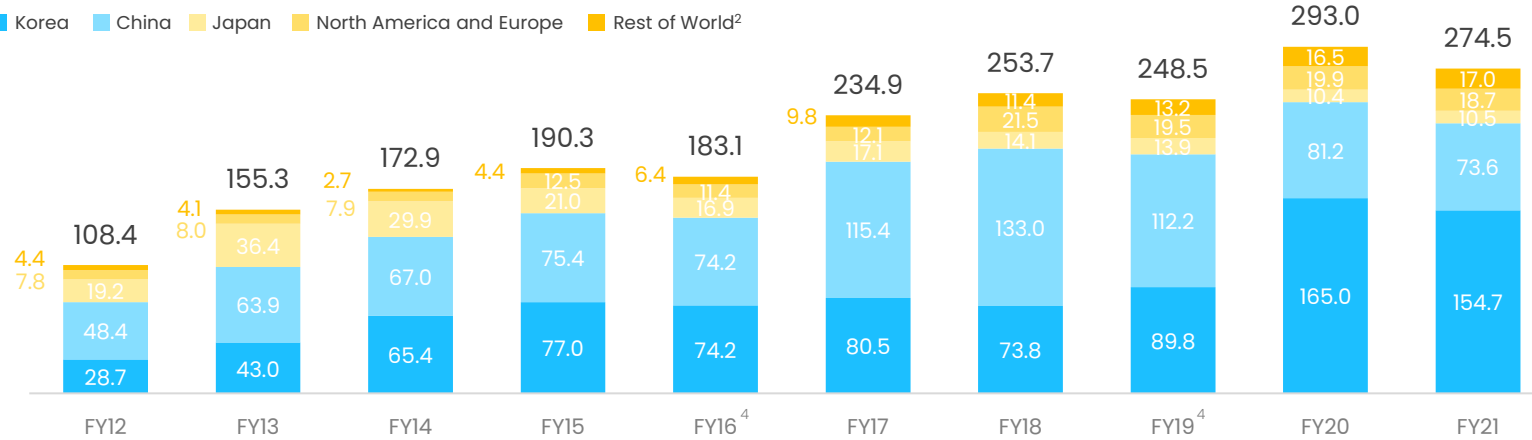
Full-time employees	March 31	June 30	September 30	December 31	March 31	June 30
	2021	2021	2021	2021	2022	2022
Japan	265	265	265	270	269	274
Korea	5,143	5,246	5,404	5,457	5,555	5,750
China	213	207	202	203	202	203
North America	342	342	357	353	357	383
Others	334	347	372	400	425	457
<b>Total</b>	<b>6,297</b>	<b>6,407</b>	<b>6,600</b>	<b>6,683</b>	<b>6,808</b>	<b>7,067</b>

# Historical Financials

(Unit: ¥ billions)

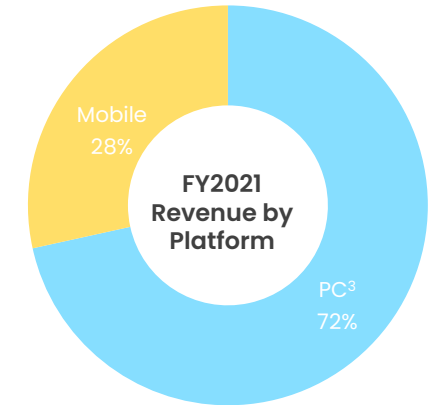
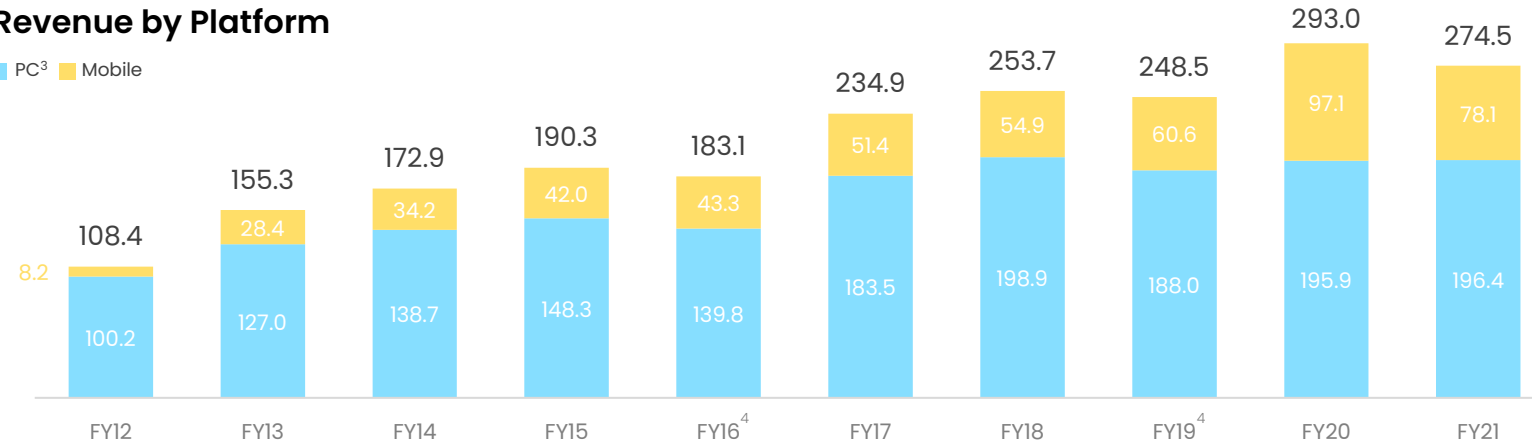
## Revenue by Region<sup>1</sup>

■ Korea ■ China ■ Japan ■ North America and Europe ■ Rest of World<sup>2</sup>



## Revenue by Platform

■ PC<sup>3</sup> ■ Mobile



<sup>1</sup> Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

<sup>2</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>4</sup> FY16 and FY19 grew Y/Y on a constant currency basis.

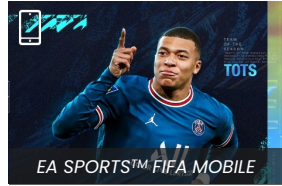
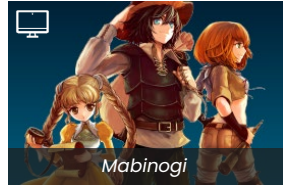
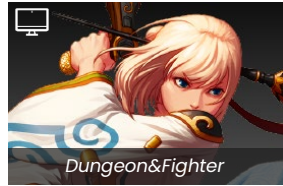
<sup>5</sup> Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from Q1 2020. The numbers for the past years have also been adjusted accordingly.



# Key Titles by Region<sup>1</sup>

PC<sup>3</sup> MOBILE

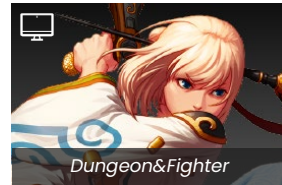
## Korea



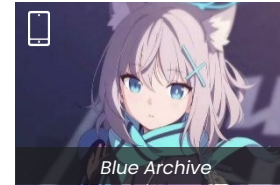
PC<sup>3</sup>

MOBILE

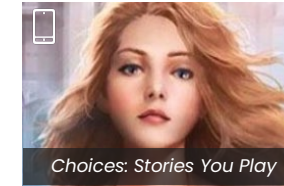
## China



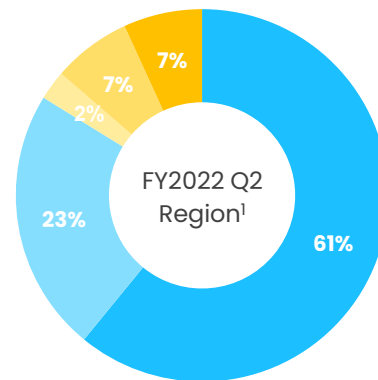
## Japan



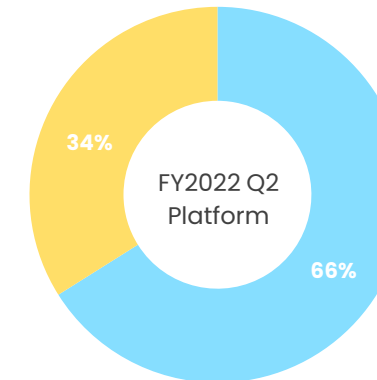
## N. America and Europe



## Rest of World<sup>2</sup>



- Korea 61%
- China 23%
- Japan 2%
- North America & Europe 7%
- Rest of World<sup>2</sup> 7%



- PC<sup>3</sup> 66%
- Mobile 34%

<sup>1</sup> Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

<sup>2</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

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**NEXON IP**



# Dungeon & Fighter Franchise

## LTD Overview



Launched 2005



Over 850 million registered users worldwide



Life-to-date gross revenue well over \$20 billion USD



Gross revenue several billion dollars more than life-to-date box office of *Star Wars* and *Harry Potter* series; more than double the revenue of the entire *Avengers* series<sup>1</sup>



Constantly evolving for 17 years with new characters, skills and communities



Mobile version launched in Korea on March 24, 2022. Highest ranking #1 on iOS and AOS



Easy-to-learn, hard-to-master accessibility, action-packed gameplay and iconic, pixelated art make *Dungeon & Fighter* one of the world's most popular and enduring game franchises




<sup>1</sup> Life-to-date global box office revenues as of August 8th, 2022 sourced from BoxOfficeMojo.com

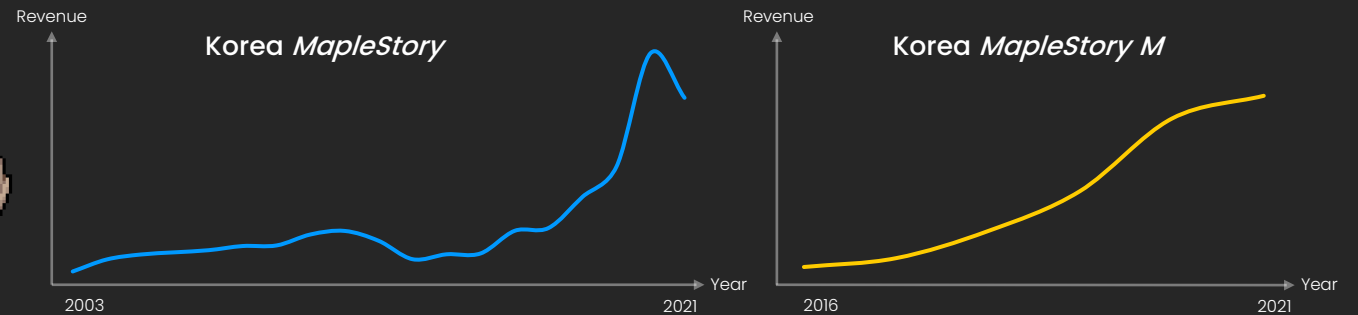
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# MapleStory Franchise

## LTD Overview

-  Launched 2003
-  Over 180 million registered users worldwide. Player registrations equal to 45% of Korean population
-  Life-to-date franchise revenue over \$3 billion USD
-  Combined PC and mobile revenue exceeds global box office of the movie franchise *Frozen* – one of Disney's biggest<sup>1</sup>
-  An easy-to-learn, hard-to-master MMORPG with cross-cultural appeal that has been growing players and revenue over 19 years. Players love personalizing their characters






<sup>1</sup> Life-to-date global box office revenues as of August 8th, 2022 sourced from BoxOfficeMojo.com

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# KartRider Franchise

## LTD Overview

-  Launched 2004
-  Registered users over 380 million  
PC platform alone
-  Over half of all Korean population; over 45% of Taiwanese  
population has played the game
-  Combined PC and mobile Life-to-date gross revenue over \$1.0  
billion
-  A fast-paced online casual racing game with easy-to-learn,  
hard-to-master UI, and a universe of compelling characters  
which can be stylized to the player's taste

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# Sudden Attack

## LTD Overview



Launched 2005



Registered users over 23 million



Life-to-date revenue over \$0.7 billion








Highly accessible online First-Person Shooter with fast, visceral action

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# *The Kingdom of the Winds* Franchise LTD Overview

-  Launched 1996
-  Registered users over 26 million
-  World's longest-running graphic MMORPG. Over 26 year service period
-  Mobile version launched on July 15, 2020. Highest ranking #1 on iOS and #2 on AOS
-  A popular and enduring MMORPG based on historical comic about the Goguryeo Dynasty

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# Mabinogi

## LTD Overview



Launched 2004



Registered users over 20 million



Life-to-date revenue over \$0.6 billion



MMORPG with life-oriented content and contemporary music, fashion, and cooking. Highly differentiated from existing battle-focused games that saturate the market

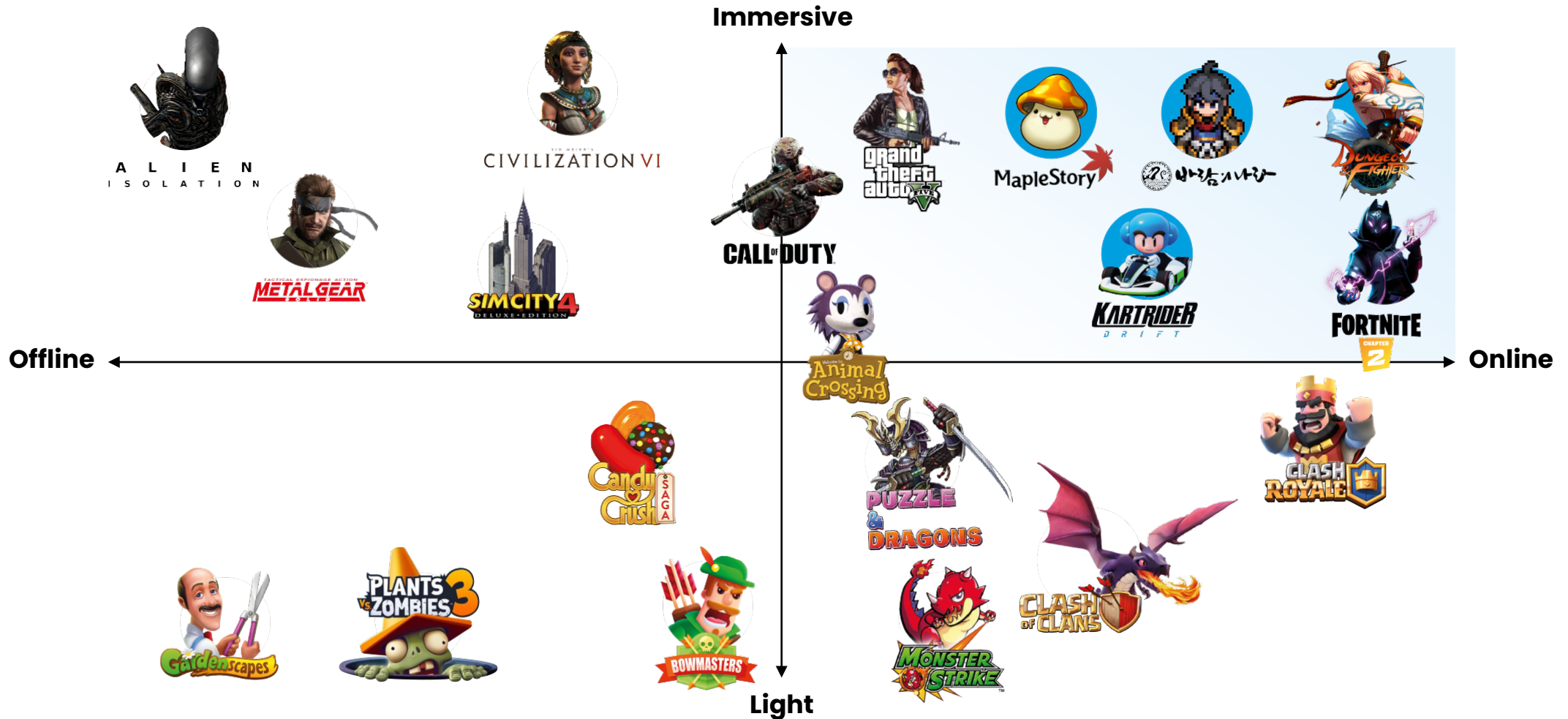
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# **NEXON's Business**

# Global Leader in Virtual Worlds

Nexon is Well-positioned to Benefit from the Paradigm Shift in the Entertainment Industry



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<sup>2</sup> The categorization of the games shown in this material is based on our own view. It may not necessarily reflect the common views in the market.

# Nexon Focus

**1**  
**FOCUS ON  
VIRTUAL WORLDS**

**2**  
**PLATFORM  
EXPANSION**

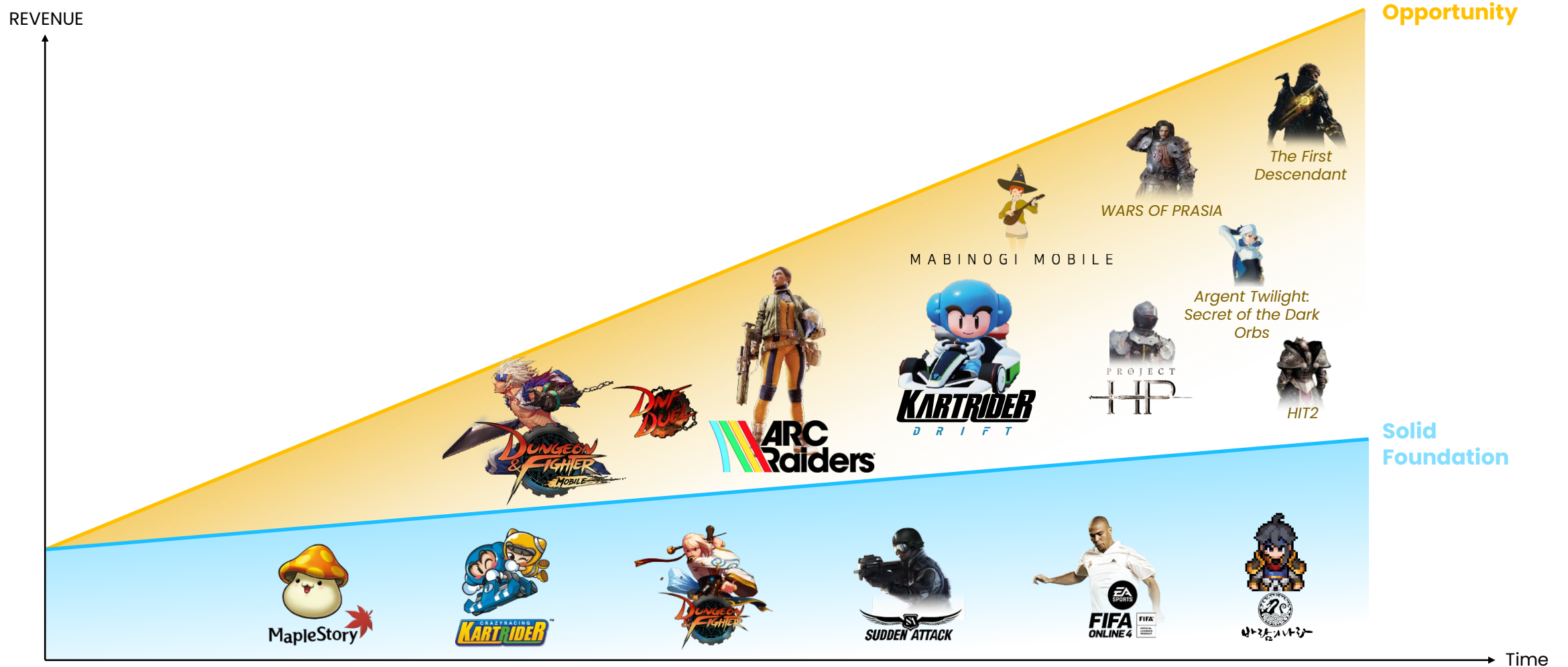
**3**  
**LEVERAGE  
OUR OWN IP**

**4**  
**INVEST IN NEW IP  
AND TECHNOLOGY**

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# Solid Foundation. Significant Opportunities for Growth

Big Growth Opportunities Layered on Top of Core Business

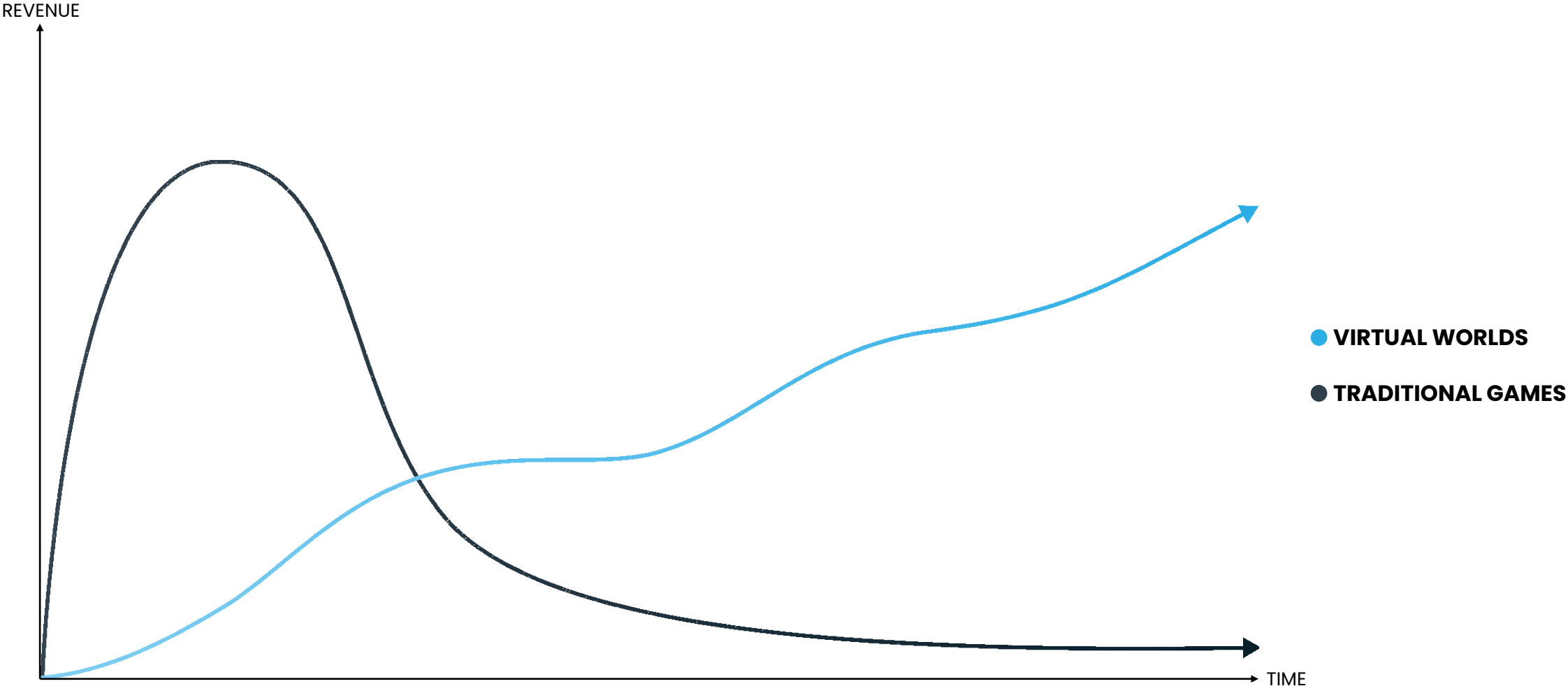


2022

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# Mental Model of Virtual Worlds

Virtual Worlds Can Grow Over a Period of Years Despite the Near-term Ups and Downs



# Glossary of Terms

Term / Abbreviation	Meaning
FPS (first person shooter)	A game in which the player plays from the point of view of the game character in three-dimensional graphics
MMORPG (massively multiplayer online role playing game)	An online role-playing game that has a “massive” number (usually several hundred or more) of players who play concurrently
MAU (monthly active user)	Monthly total number of users who logged in and played Nexon’s PC online games. MAU in this presentation is the quarterly average of such numbers. Nexon’s PC online games include game developed and serviced by Nexon group, games developed by Nexon group and serviced by non-Nexon group publishers, and game developed by non Nexon group acquired publishing rights.
ARPPU (average revenue per paying user)	The amount obtained by dividing monthly PC online game gross revenues by the number of monthly paying users. ARPPU in this presentation is the quarterly average of such numbers. Gross revenues used in the calculation are in-game sales, and exclude other revenues included in PC revenues such as sales from PC café time charge.
Pay Rate	The percentage rate obtained by dividing the number of monthly paying users by the number of monthly active users. Pay rate in this presentation is calculated using the quarterly average of such numbers.
MCCU (maximum concurrent users)	The maximum number of users concurrently accessing a game at a particular moment. MCCU is generally used to measure the popularity of a game
Closed Beta Test (CBT)	A trial version (beta version) of a game offered for a certain period of time to a limited number of users or groups. A Limited Beta Test in an even smaller-scale trial mode of a game with fewer numbers of users or group
Open Beta Test (OBT)	A trial version (beta version) of a game a certain period of time without restrictions on participation. OBT is usually conducted after CBT.
Tier One Update	Large scale update to existing PC games typically launched in Q1 or Q3 around peak season
Tier Two Update	Smaller update to existing PC games released throughout the year

# Disclaimer

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- Continued growth and popularity of Nexon's key titles;
- Nexon's ability to maintain favorable relationships with key licensing partners;
- Nexon's continued ability to offer games in China, through local partners or otherwise;
- Nexon's ability to compete effectively in the online games industry;
- Nexon's ability to address hacking, viruses, security breaches and other technical challenges;
- Fluctuations in currency exchange rates;
- Nexon's ability to maintain and further develop its brand name;
- Effective acquisition of new companies, businesses, technologies and games from third parties and the possibility of recognizing impairment losses;
- Continued growth of the online games market, including the underlying infrastructure, and free-to-play/item-based revenue generation model;
- Nexon's ability to adapt to new technologies;
- Nexon's ability to enter into licensing arrangements for third-party titles on terms favorable to it;
- Effective defense of Nexon's intellectual property; and
- Legislative, regulatory, accounting and taxation changes in the countries in which Nexon operates.

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# Q3 2022 Earnings Release Schedule

Q3 2022 financial results are scheduled for release on

# Wednesday, November 9th, 2022.

Nexon management is scheduled to host an earnings conference call for investors, analysts and the media on the same day.

Details of the earnings conference call will be available on our IR website about a month prior to the release.

